

Sequoia Launch Units

11 July 2018



Series 28A **Diversified Basket of Global Investment Funds** **and Multi-Asset Index**



This Term Sheet PDS supplements the Master PDS dated 14 August 2017 issued by Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) (“**the Issuer**”). This Term Sheet PDS together with the Master PDS constitutes the PDS for the Offer of the Series of Launch Units described below.

This PDS is for the offer of an agreement to purchase the shares (“**Delivery Assets**”) specified in Section 2 “Term Sheet” of this Term Sheet Product Disclosure Statement (“**Term Sheet PDS**”) on certain terms including deferred delivery and entry into a Loan for the Investment Amount (“**the Offer**”). This Term Sheet PDS is dated 11 July 2018 and is issued by Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) (“**the Issuer**”) and arranged by Sequoia Asset Management Pty Ltd (ACN 135 907 550, AFSL 341506) (“**the Arranger**”) pursuant to Section 911A(2) (b) of the Corporations Act. Pursuant to Section 911A(2)(b), the Issuer will issue the Units in accordance with the offer made by the Arranger.

This PDS has not been lodged, and is not required to be lodged with the Australian Securities and Investments Commission (“**ASIC**”). The Issuer will notify ASIC that this PDS is in use in accordance with the Corporations Act. ASIC and its officers take no responsibility for the contents of this PDS.

All fees in this PDS are stated inclusive of any GST (unless stated otherwise).

All monetary amounts referred to in this PDS are given in Australian dollars (unless stated otherwise). All references to legislation in this PDS are to Australian legislation. Explanations as to tax treatment and other features of the Offer have been provided for Australian investors.

Investments in the Units

This PDS (including the Master PDS) is an important document which should be read before making a decision to acquire the Units. The information in this PDS is general information only and does not take into account an individual's investment objectives, financial situation or particular needs or circumstances.

Nothing in this PDS is a recommendation by the Issuer or its related bodies corporate or by any other person concerning investment in the Units or the Reference Basket or any specific taxation consequences arising from an investment in the Units. Potential investors should also obtain independent financial and taxation advice as to the suitability of this investment to them having regard to their investment objectives, financial situation and particular needs. No cooling off rights apply to investments in the Units.

Potential Investors should note that the Issuer retains discretion to amend the closing date for the offer for a Series and move the Commencement Date (and all other consequential dates) for a Series, or not to continue with the issue of a Series of Units on the Commencement Date and terminate any Units in that Series already issued, including where there is a significant change in the Issuer's cost of hedging between the date of this Term Sheet PDS and the Commencement Date. In particular, the Issuer will not continue with the issue of a Series of Units if it considers that it and its affiliates have not completed sufficient arrangements for management of their respective obligations in respect of that Series of Units. If a decision is made not to issue a Series of Units or to terminate Units in a Series that have already been issued, the Issuer will return the Prepaid Interest, and any applicable Fees that have been paid upfront to applicants without interest within 10 Business Days of the scheduled Commencement Date.

Eligible investors and electronic PDS

This PDS and the Offer are available only to Australian resident investors receiving this PDS (including electronically) in Australia who are registered holders of Sequoia Launch Series 28 units issued under the Term Sheet PDS dated 1 May 2017 and Master PDS dated 15 June 2015 (“**Series 28 Units**”). Applications from outside Australia or from persons who are not registered holders of Series 28 Units will not be accepted. If anyone prints an electronic copy of this PDS they must print all pages including the Application Form. If anyone makes this PDS available to others, they must give them the entire electronic file or printout, including the Application Form and any additional documents that the Issuer may require such as identification forms for the purpose of satisfying Australian anti-money laundering legislation.

The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold in the United States or to, or for the benefit of U.S. persons unless the Units are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

Updated information

Information set out in this PDS is subject to change from time to time. Information not materially adverse to Investors in the Units may be amended without issuing an updated or supplementary PDS. Investors can find this updated information at any time at www.sequoiasi.com.au.

A paper copy of this PDS (and any supplementary documents) can be obtained free of charge on request by contacting Sequoia Specialist Investments. Sequoia Specialist Investments can be contacted on (02) 8114 2222 or at PO Box R1837 Royal Exchange NSW 1225.

If an Investor establishes that information is not accurate, complete, and up-to-date, the Issuer must take reasonable steps to correct it.

Making an investment

Units can only be issued if potential investors use an Application Form (including relevant attachments) attached to either a paper or electronic copy of this PDS.

Returns not guaranteed

Returns on the Units are not guaranteed. The Issuer, the Security Trustee, the Custodian, the Arranger, the Lead Distributor, the Acceptor nor any of their associates or subsidiaries guarantees the return on an investment in the Units or any gain. Investors may not recoup the total amount of any amounts outlaid as there is no guarantee that returns on the Units will be in excess of these amounts paid by Investors. Please refer to Section 2 “Risks” in the Master PDS.

Superannuation fund investors

Superannuation funds can invest in Units in the Series. Superannuation fund investors should take note of the representations and warranties they make when investing – see clause 13.2 of the Terms in the Master PDS.

Definitions

Capitalised terms used in this PDS have the meaning given in Section 10 “Definitions” of the Master PDS, and as defined in this Term Sheet PDS.

Nature of the Units

The Units are “Securities” for the purposes of Chapter 7 of the Corporations Act.

Please note “Unit” or “Units”, when used in this PDS, means an agreement to buy the Delivery Assets between the Issuer, Custodian and the Investor pursuant to the Deferred Purchase Agreement. The Units are not units in a trust or managed investment scheme.



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1. Investment Objective Overview



The objective of the Units in Sequoia Launch Series 28A is to deliver positive returns to investors, regardless of market conditions over a period of 2 years and 338 days (being the remaining time to maturity on the existing Series 28 Units). The Units aim to achieve this by offering leveraged exposure to a diversified basket of global investment funds and an index with various investment styles and exposure including:

- Global Equity Absolute Return;
- UK Equity Absolute Return;
- Global Currencies and Bonds (Long/Short)
- Diversified Multi-Asset Long/Short

Due to the diverse investment styles of the underlying Funds and underlying Index, the Reference Basket is expected to have very low volatility characteristics, resulting in a very inexpensive hedge. This low cost combined with Sequoia's access to investment bank hedging and borrowing, results in a very cost effective fixed lending rate of 1.99% p.a.

The Units also offer Investors regular distribution potential, as the Units have the ability to pay annual uncapped Performance Coupons based on the full leveraged investment amount.

Investors are required to unwind their Sequoia Launch Series 28 Units prior to investing in the Units offered under this PDS.

A summary of the key features are as follows

| Launch Series 28A | |
|--|---|
| Reference Basket | Weighted exposure to the following 3 Global Funds and 1 Index: 20%: Old Mutual Global Equity Absolute Return Fund; 20%: Janus Henderson – United Kingdom Absolute Return 40%: H2O Adagio (Global Currencies and Bonds) 20%: BNP Paribas Multi-Asset Diversified vol 4 EUR Index |
| Currency of Reference Basket | AUD Hedged |
| Strategy | Reference Basket with 2.0% Target Volatility |
| Unit Currency Exposure | AUD |
| The Potential for 3 Uncapped Performance Coupons | Three (3) potential Uncapped Performance Coupons, payable annually, based on the performance of the Strategy Value. |
| Performance Fees | None |
| Limited recourse Loan | Yes. Investors borrow 100% of the Investment Amount. |
| Term | 2 years and 338 days |
| Annual Interest Rate on Loan | 1.99% p.a. |
| Application Fee | 0.0% |
| Volatility Mechanism | Yes |
| Target Volatility | 2.0% |
| Maximum Participation Rate | 100% |
| Margin Calls | No |
| SMSF Eligibility | Yes |

Three (3) potential Performance Coupons at the end of Period 1, Period 2 & Maturity.

The Units have the potential to pay annual Performance Coupons, subject to the performance of the Strategy Value. As a result, you may receive uncapped Performance Coupons at the end of Periods 1, 2 & Maturity, subject to the performance of the Strategy Value between the Commencement Date and the relevant Coupon Determination Date ("**Performance Coupons**").

2. Term Sheet – Sequoia Launch Series 28A



The following Term Sheet is a summary of the key dates and terms of the Units. However, this section is not intended to be a complete summary of this PDS and you should read the entire PDS before deciding whether or not to invest. The information in this section is qualified in its entirety by the more detailed explanations set out elsewhere in this PDS, in particular Section 6 “Terms of the Deferred Purchase Agreement” in the Master PDS.

| | |
|---|---|
| Offer Opening Date | 11 July 2018 |
| Offer Closing Date | 20 July 2018 |
| Commencement Date/Issue Date | 27 July 2018 or as soon as reasonably practicable thereafter as determined by the Issuer and as notified to you. |
| Interest Payment Date (Application Payment Date) | 27 July 2018 Investors should note the Interest Payment Date is also the Application Payment Date. |
| First Coupon Determination Date | 28 June 2019 |
| Second Coupon Determination Date | 30 June 2020 |
| Third Coupon Determination Date | 30 June 2021 |
| Maturity Date | 30 June 2021 |
| Final Coupon Payment Date | 10 Business Days after the Final Coupon Determination Date or as soon as reasonably practicable thereafter as determined by the Issuer. |
| Buy-Back Dates | <p>Quarterly on the last Business Day of March, June, September and December commencing September 2018 (or otherwise at the Issuer’s discretion). Investors must lodge their Issuer Buy-Back Form no later than 10 Business Days before the relevant Buy-Back Date. Any Issuer Buy-Back Form received after this time will be held over to the next Buy-Back Date.</p> <p>The Buy-Back Price will always be at least \$1.00 per Unit and will be applied to repay your Loan. You will not have to pay any other fees, costs or interest, however, the Units are designed to be held until Maturity, so any Issuer Buy-Back price may not be high enough to recover the Prepaid Interest and Fees following repayment of the Loan.</p> |
| Settlement Date | 10 Business Days after the Maturity Date, or such other date as determined by the Issuer in its discretion as is reasonably necessary for the Issuer to fulfil its obligations under the Terms. |

Reference Basket

A total of 4 underlyings (each an “**Underlying**”, together “**Underlyings**”; and in respect of Underlying i , where $i=1$ to 3, each a “**Fund**”, together “**Funds**”; and in respect of Underlying i , where $i=4$, an “**Index**”):

| i | Underlying i | Weight i | Bloomberg | ISIN | Currency |
|----------|--|-----------------|---------------------|--------------|-----------------|
| 1 | Old Mutual Global Equity Absolute Return Fund | 20% | OMEAEHA ID <Equity> | IE00BLP5S460 | EUR |
| 2 | Janus Henderson – United Kingdom Absolute Return | 20% | GAUKAA1 LX <Equity> | LU0490786174 | EUR |
| 3 | H2O Adagio (Global Currencies and Bonds) | 40% | NH2ADRC FP <Equity> | FR0010923359 | EUR |
| 4 | BNP Paribas Multi-Asset Diversified vol 4 EUR Future Index | 20% | BNPIMD4F <Index> | N/A | EUR |



| Underlying | Description | Assets Under Management and Inception date |
|--|--|--|
| Old Mutual Global Equity Absolute Return Fund | <p>Old Mutual was established in 1845 and manages over USD249bn of assets under management globally.</p> <p>Old Mutual Global Investors Series PLC–Global Equity Absolute Return Fund is an open-end fund incorporated in Ireland. The Fund aims to deliver an absolute return by investing in a market neutral portfolio of actively traded large capitalization global equities. The Absolute Return Fund is managed using highly developed proprietary systematic techniques that exploit short term anomalies.</p> <p>http://www.omglobalinvestors.com/europe/ https://www.bloomberg.com/quote/OMEAEHA:ID ¹Bloomberg as at 16 May 2018</p> | USD 15.32bn ¹ November 2011 |
| Janus Henderson – United Kingdom Absolute Return; | <p>Janus Henderson is a global asset management group headquartered in the City of London, United Kingdom. It offers a range of financial products to individual and institutional investors globally under the trade name Janus Henderson Investors. The group’s holding company, Janus Henderson Group plc, is incorporated in Jersey and is listed on the New York Stock Exchange and the Australian Securities Exchange (where it is a component of the S&P/ASX 100 index). Janus Henderson was formed from the all stock merger of Janus Capital Group and Henderson Group which completed in May 2017. At the time of the merger, the combined group had assets under management of US\$331 billion.</p> <p>Janus Henderson – United Kingdom Absolute Return is an open-end Fund incorporated in Luxembourg. The Fund’s objective is to achieve a long-term return. The Fund invests in companies having a registered office in the United Kingdom. The return will be a combination of capital and income return.</p> <p>https://www.janushenderson.com/ukpa/fund/256/henderson-gartmore-united-kingdom-absolute-return-fund https://www.bloomberg.com/quote/GAUKAA1:LX ¹Bloomberg as at 16 May 2018</p> <p>Alternatively, please contact the Issuer or your Financial Adviser if you would like a copy of the most recent factsheet for this fund.</p> | GBP 4.314bn ¹ April 2010 |



H2O Adagio (Global Currencies and Bonds)

H2O Adagio offers investors access to a strategy, which stems from alternative investment, within a fund offering daily valuation and within a risk controlled framework.

EUR 3.6bn
23 August 2010

The investment philosophy of the H2O funds is based on the conviction that diversification contributes to value creation. From this perspective, H2O Adagio seeks to take advantage of as many opportunities as possible in an international investment universe. The fund may therefore invest in the bond markets (sovereign debt, investment grade credit, high yield), as well as in the currency markets. Within each of these asset classes, the fund may invest in both developed and emerging markets.

H2O Adagio is managed on the basis of a highly responsive macroeconomic analysis of these various markets. As part of this resolutely top-down approach, the managers take long or short directional positions in the various asset classes, as well as relative value positions aimed at taking advantage of trends in one market segment relative to another (e.g. purchase of US 10-year bonds/sale of 10-year Bund). These strategies are supplemented with specific overlays, involving the selection of securities within each market segment, and trading positions.

Each strategy considered by the H2O AM managers is quantified in terms of its risk budget. The management team performs an allocation for each strategy according to its "cost" in terms of risk, while ensuring that the global risk budget for the fund is not exceeded. The managers favour the least correlated positions, in order to incorporate the maximum number of sources to add value, without further increasing the overall risk of the portfolio. In order to dynamically allocate the risk budget, the management team has developed proprietary tools, enabling the asset risk for each strategy to be quantified, allocated and managed in quasi real time. Contrary to traditional management, where risk is the result of an allocation between the various asset classes, at H2O the notion of risk budgeting is at the very core in terms of management choices and constructing portfolios.

Find more details at:

<https://www.bloomberg.com/quote/NH2ADIC:FP>

BNP Paribas Multi-Asset Diversified vol 4 EUR Future Index

The BNP Paribas Multi-Asset Diversified vol 4 EUR Future Index offers higher returns with lower volatility thanks to a wide universe of underlyings and a dynamic asset allocation, with a risk control mechanism (individual and global) to maintain volatility around 4%.

EUR 2.75bn
October 2012

Find more details at:

<https://www.bloomberg.com/quote/BNPIMD4F:IND>



Further Information

| | |
|---|---|
| Currency Exposure | AUD (hedged) |
| Final Value | <p>\$1.00 per Unit on the Maturity Date.</p> <p>The returns on the Units will be made up of the Final Value per Unit and any Performance Coupons or Final Coupons payable during the Investment Term (if any) based on the performance of the Strategy Value.</p> |
| Potential Performance Coupons | <p>The Units have the potential to pay positive performance in the form of Performance Coupons.</p> <p>The Performance Coupon's are determined by calculating the gross performance of the Strategy Value between the Commencement Date and the relevant Coupon Determination Date and deducting previous coupons already paid (if any).</p> <p>The First Coupon is calculated by reference to the First Coupon Determination Date on 28 June 2019. This only covers a period of approximately 338 calendar days since the Commencement Date. Therefore, the Strategy Value has less than 1 year to generate positive performance before any First Performance Coupon will become payable.</p> <p>Further, positive performance will only arise once the Strategy Value is above 100. This is still the case even if the Initial Strategy Value has a value of less than 100 on the Commencement Date. The Initial Strategy Value will be advised to you by the Issuer immediately after the Commencement Date and will equate to the reported Strategy Value of the Series 28 Units on the Commencement Date of these Series 28A Units (currently expected to 27 July 2018).</p> <p>Please refer to for details: https://www.sequoiasi.com.au/investor-centre/launch-series/sequoia-launch-series-28a/</p> <p>Refer to Section 3: "Worked Examples" and "Section 4: Formulae and Calculations" for Performance Coupon formulae</p> |
| Strategy | Reference Basket with a 2% Target Volatility |
| Initial Strategy Value | <p>The Initial Strategy Value will be determined by the Issuer on the Commencement Date and will equate to the reported Strategy Value of Sequoia Launch Series 28 Units on the Commencement Date of this PDS (currently expected to be 27 July 2018).</p> <p>For reference purposes, the Initial Strategy Value of Launch Series 28A on the Commencement Date of this PDS will be published at: https://www.sequoiasi.com.au/investor-centre/launch-series/sequoia-launch-series-28a/</p> |
| Strategy Value Strike on the Commencement Date | <p>100</p> <p>Calculation of Performance Coupons will be calculated by reference to the Strategy Value Strike of 100 and NOT the Initial Strategy Value.</p> <p>Therefore, if, for example, the Initial Strategy Value is 99 on the Commencement Date, and the Strategy Value on the First Coupon Determination Date is 100, the First Coupon payable will be zero because even though the Strategy Value is above the Initial Strategy Value, it is not above the Strategy Value Strike.</p> <p>Investors do not benefit from any increase in the Strategy Value until the Strategy Value Strike of 100 is exceeded.</p> |



Strategy Value

The Strategy Value is dependent on the Units varying levels of exposure to the relevant Reference Basket. This varying level of exposure is determined by the Participation Rate, which is calculated by reference to the Target Volatility, and the volatility of the Reference Basket over the previous 10 and 50 Basket Business Days. The Strategy Value is used to determine the value of the Performance Coupons, if any.

The Strategy Value is calculated each Basket Business Day by:

- taking the change in the level of the relevant Reference Basket from the close of the previous Basket Business Day to the close of the current Basket Business Day,
- multiplying it by the Participation Rate (which determines the exposure to the relevant Reference Basket) from the previous Basket Business Day,
- taking the 3-Month EURIBOR rate from the previous Basket Business Day and converting this to a daily interest rate,
- multiplying this new interest rate by: (100% minus the Participation Rate),
- taking the sum of these two amounts and deducting an Adjustment Factor of 0.15% p.a. calculated on a daily accruals basis using a 360 day count,
- multiplying this amount by the Strategy Value from the previous Basket Business Day.

The effect of this is that as the volatility of the Reference Basket increases above the level of the Target Volatility, exposure to the Reference Basket decreases and exposure to the 3-Month EURIBOR rate increases, and vice versa. In this way the Strategy Value will vary from one Basket Business Day to the next depending on the change in the level of the Reference Basket and the Participation Rate.

The Issuer intends to publish the Strategy Value (on a monthly basis) on its website at www.sequoiasi.com.au.

Adjustment Factor

0.15% p.a. accrued daily as a reduction to the Strategy Value.

This has the effect of reducing the Strategy Value. It is included to enable efficient pricing of the underlying hedge entered into by the Issuer.

Such efficient pricing of the underlying hedge by the Issuer is required to help facilitate an offer of Net Settlement to end Investors that unwind their Sequoia Launch Series 28 Units prior to investing in the Units offered under this PDS.

The Adjustment Factor is NOT a fee received by the Issuer.

Please refer below for a description of Net Settlement

Please refer to Section 4 "Formulae and Calculations" for more information.

Section 4 Formulae and Calculations



Participation Rate and Target Volatility

Volatility is the relative rate at which the price of an asset may move (increasing or decreasing), over a period of time. If an asset's relative price changes quickly (either positively or negatively) over a period of time, it will be considered to have high volatility. If an asset's relative price changes are not quick, it will be considered to have low volatility. A high level of volatility is considered to be an indication that an asset may have greater risk.

The Participation Rate is a mechanism designed to manage market risk associated with the performance of the Reference Basket. It operates by varying the exposure that the Units will have to the Reference Basket depending on the volatility of the Reference Basket and the Target Volatility. The higher the volatility, the lower the Participation Rate (and hence the lower the exposure to the Reference Basket) and vice versa.

Target Volatility is the level of volatility that would provide a Participation Rate of 100%. The Units have a maximum Participation Rate of 100%. Accordingly, Investors will not receive enhanced exposure to the Reference Basket even at times of low volatility.

The Participation Rate is determined on each Basket Business Day by reference to the highest volatility of the Reference Basket over the previous 10 or 50 Basket Business Days. The Participation Rates will vary between 0% and 100%.

The Participation Rate for each Series is determined using the formula set out below.

Please refer to Section 4 "Formulae and Calculations" for more information.

**Section 4
Formulae and
Calculations**

Target Volatility

2%

Participation Rate

The Participation Rate will be calculated by reference to the Target Volatility and the level of Realised Volatility using the following formula:

$$PR_t = \text{Min} (100\%, \text{Target Volatility/Realised Volatility}_{t-1})$$

Based on this, the Participation Rate (PR_t) would have been 100% based on a Realised Volatility level of approximately 1.93% as at 9 July 2018. This is calculated as

$$PR_t = \text{Min} (100\%, 2.0\%/1.93\%)$$

$$PR_t = 100.0\%$$

There is a risk that the Participation Rate for any Series could drop to significantly below 100% during the Investment Term. A Participation Rate of below 100% means that Investors have less than 100% exposure to the Reference Basket. You should refer to the graph of historical volatility in Section 3.3 below which shows the historical periods for which the Participation Rate would have been less than 100%.

Investors should note that historical volatility levels of the Reference Basket are not indicative of the future levels of volatility. Specifically, Investors should note that there may be a risk that the level of volatility will be high throughout the majority or whole of the Investment Term. Should this occur, the Participation Rate may result in less than 100% exposure to the Reference Basket throughout the majority or whole of the Investment Term. The minimum Participation Rate is just above 0% which means that Investors have would have almost no exposure to the Reference Basket.

Please refer to Section 4 "Formulae and Calculations" for the Realised Volatility formula.

**Section 4
Formulae and
Calculations**

Loan

100% limited recourse Loan.

**Master PDS
– Section 7
“Loan”**

Loan Amount

\$1.00 per Unit





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|---|--|
| Interest Rate & Prepaid Interest | <p>The interest rate in respect of the Loan is 1.99% p.a.</p> <p>The term of the Loan is 2 years and 338 days.</p> <p>The total Prepaid Interest payable upfront is therefore: $(2 \text{ years} \times 1.99\%) + (338 \text{ days}/365 \text{ days} \times 1.99\%) = 5.823\%$</p> <p>The Prepaid Interest is paid upfront for the full Investment Term on the Net Settlement basis described below.</p> |
| Net Settlement | <p>Investors are required to unwind their Sequoia Launch Series 28 Units prior to investing in the Units offered under this PDS. The Issuer will use the proceeds received from the Investor's unwind of their investment in Sequoia Launch Series 28 Units to fund the Prepaid Interest payable under Sequoia Launch Series 28A.</p> <p>The unwind of your units in Sequoia Launch Series 28 and investment into Sequoia Launch Series 28A will therefore be executed based on a 100% netting of the two cashflows by the Issuer and investors will not be required to contribute any additional cash for an investment in Sequoia Launch Series 28A Units.</p> |
| Issue Price | \$1.00 per Unit |
| Listing | The Units will not be listed or displayed on any securities exchange. |
| Currency | Australian dollars |
| Minimum Investment Amount | 100% of the Sequoia Launch Series 28 Units registered in the name of the Investor. |
| Withdrawal of the Units | If the Issuer is unable to achieve the economic exposure described in this PDS on the Commencement Date due to any condition set out in this PDS not being satisfied (e.g. the Issuer being unable to hedge its obligations), or otherwise determines not to proceed with the issue for any reason, then the Issuer will terminate any Units already issued, and return the Prepaid Interest and Fees without interest. The Loan will be terminated and no drawdown will be made. |
| Lead Distributor | Sequoia Asset Management Pty Ltd (ACN 135 907 550, AFSL 341506) |
| Issuer | Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) ("Sequoia") |
| Arranger | Sequoia Asset Management Pty Ltd (ACN 135 907 550, AFSL 341506) |
| Security Trustee & Custodian | Sequoia Nominees No 1 Pty Limited (ABN 11 147 097 078) |
| Registrar | Registry Direct Pty Limited (ABN 35 160 181 840) |
| Minimum Buy-Back Amount | 10,000 Units per Series providing Investors continue to hold at least 10,000 Units in the relevant Series. In the event that an Investor makes an Issuer Buy-Back Request which would result in the Investor holding less than 10,000 Units in a particular Series, then the Issuer will notify the Investor that it will hold less than 10,000 Units and seek the Investor's instruction whether to buy back the Investor's entire holding in that Series or reject the request. |
| Minimum Early Maturity Value, Termination Payment and Buy-Back Price | <p>\$1.00</p> <p>If the Units mature early for any reason, you will receive an Early Maturity Value of \$1.00 which will be applied to your Loan. You will not have to pay any other fees, costs or interest.</p> <p>Investors will not be entitled to a refund of any Prepaid Interest or any other Fees paid in relation to the Units and will not be entitled to any Final Coupon or payment of the Final Value (as the Final Value of \$1.00 will be used to pay off your Loan).</p> <p>Please refer to Section 1.10 "Early Maturity" of the Master PDS for more information on when the Units can mature early.</p> |
| Beneficial Interest | The Beneficial Interest in a Portion of the Delivery Asset held for each Unit an Investor holds. The Beneficial Interest will be set out in the Confirmation Notice sent to Investors and is a feature of the product designed to ensure the Units are a "security" under the Corporations Act. |



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| Delivery Asset | <p>Telstra Corporation (TLS.AU).</p> <p>On Maturity, the Issuer intends to deliver a parcel equal in value to the Final Value per Unit multiplied by the number of Units held by an Investor (“Delivery Parcel”) containing ordinary shares in Telstra Corporation (ASX Code: TLS, website: www.telstra.com.au) (“Delivery Asset”).</p> <p>You should be aware that the Issuer can change or substitute the Delivery Asset in certain circumstances, and you should take this into account when considering whether to invest in the Units.</p> |
| Agency Sale Option | <p>Available. Please refer to Clause 4.4 of Section 6 “Terms of the Deferred Purchase Agreement” in the Master PDS.</p> |
| Key Risks | <p>Key risks include:</p> <ul style="list-style-type: none"> • Your return (including any Coupons) is affected by the performance of the Underlyings comprising the Reference Basket. There is no guarantee that the Reference Basket will perform well. • In the Event that an appropriate hedge cannot be achieved in relation to all or some of the Underlying’s comprising the Reference Basket, the Issuer may choose to remove the Underlying or replace the Underlying with a similar fund in its absolute discretion. Any changes will be notified on the Issuers website and in correspondence to Investors. • The Units have varying levels of exposure to the Reference Basket depending on volatility due to the variable Participation Rate. It operates by varying the exposure that the Units will have to the Reference Basket depending on the Realised Volatility of the Reference Basket and the Target Volatility. There is the risk that the Participation Rate could drop below 100% during the Investment Term in which case Investors will not gain the full benefits of an increase of the value of the Reference Basket. • Investors should note that there is a lag in measuring the Realised Volatility of the Reference Basket. This means that where there has been a period of high Realised Volatility, the Investor’s exposure to the Reference Basket will be low, regardless of whether the Reference Basket is performing positively or negatively. • There will be no Performance Coupons payable if the performance of the Strategy Value does not exceed the Strategy Value Strike on a Coupon Determination Date. • The potential Performance Coupons are determined by reference to the Strategy Value Strike and Strategy Value on the relevant Coupon Determination Date and any past Performance Coupons paid. • There is no guarantee that the Units will generate returns in excess of the Prepaid Interest and Fees, during the Investment Term. Additionally, in the event of an Investor requested Issuer Buy-Back, Early Maturity Event, you will not receive a refund of your Prepaid Interest or Fees. • Gains (and losses) may be magnified by the use of a 100% Loan. However, note that the Loan is a limited recourse Loan, so you can never lose more than your Prepaid Interest Amount and Fees paid at Commencement. • Investors are subject to counterparty credit risk with respect to the Issuer and the Hedge Counterparty; and • the Units may mature early following an Early Maturity Event, including an Adjustment Event, Market Disruption Event or if the Issuer accepts your request for an Issuer Buy-Back. <p>Please refer to Section 2 “Risks” of the Master PDS for more information.</p> |
| Fees | <p>There are no Application Fees and no Adviser Fees.</p> |
| Performance Fee | <p>There are no Performance Fees.</p> |
| Derivatives | <p>The Issuer obtains exposure to the Strategy through the use of derivatives rather than a direct investment in the Strategy, Reference Basket or securities comprising the Reference Basket.</p> |
| Taxation | <p>Please refer to Section 4 “Taxation” of the Master PDS.</p> |



Applications and issue of Units

Applications may be accepted or rejected at the discretion of the Issuer. Units will be issued within one month upon receipt of application monies from an Investor. The Unit's economic exposure to the Reference Basket will begin on the Commencement Date. If a Unit is issued prior to the Commencement Date it will have no economic exposure until the Commencement Date.

The Sequoia Launch Series 28A Units will only be issued at the discretion of the Issuer, and applications may be accepted or rejected at the discretion of the Issuer. Without limiting its discretion, the Issuer may choose not to proceed with the issue of the Units for a Series and terminate the product for those Units already issued for any reason whatsoever, including (without limitation) if there is a significant change in the Issuer's cost of hedging between the date of this PDS and the Commencement Date. Where the Issuer has not received the Prepaid Interest, Application Fee or Upfront Adviser Fee (if any) in respect of a Unit(s) from the Investor by the Application Payment Date, the Issuer will cancel the Units relating to the unpaid amounts and will arrange for the Investors name to be removed from the register of Unitholders.

If a decision is made for any reason not to issue, or not to proceed with the issue of the Units in Series 28A, the Issuer will return the Prepaid Interest, Application Fee and Upfront Adviser Fee (if any) to applicants (without interest) within 10 Business Days of the scheduled Commencement Date and any Units already issued will be terminated.

The Units may mature early in the case of an Early Maturity Event or Issuer Buy-Back, and the Maturity Date may be extended in the case of a Market Disruption Event.

3. Worked Examples



Here are some examples demonstrating how the Performance Coupons are calculated. The examples are hypothetical only and are not forecasts or simulations of Unit returns nor are they a reference to past performance. The actual returns on the Units may be materially different from what is shown in these examples.

These examples may help Investors decide if the Units are a suitable investment. No content in this section or elsewhere in the Term Sheet PDS or PDS is investment advice and Investors should speak to their financial adviser before investing.

3.1 How does the investment perform?

Units may entitle Investors to receive Performance Coupons at the end of period 1 and period 2, and at Maturity depending on the performance of the Strategy Value. The examples below demonstrate how the Performance Coupons are calculated depending on whether the performance of the Strategy Value over the life of the investment has been negative, positive or neutral.

The examples set out below show the return on an investment in the Units at Maturity.

Rounding:

All calculations made by the Issuer for the purposes of these worked examples will be made to not fewer than two decimal places. Other than as provided in these examples, rounding of numbers will not occur until the final calculation of a relevant amount or number at which time the Investor's entitlements will be aggregated and that aggregate will be rounded so that all money amounts are rounded down to the nearest whole cent and all numbers of Delivery Assets are rounded down to the nearest whole number.

Assumptions:

The below examples assume that Investors decide to invest in 100,000 Units with a \$1.00 Issue Price, resulting in an Investment Amount and Loan Amount of \$100,000 in Series 28A.

The below examples also assume that there are no Early Maturity Events, Issuer Buy-Backs, Adjustment Events or Market Disruption Events.

Calculation of the Performance Coupons

There are four potential Performance Coupons payable to Investors during the Investment Term. Each is calculated with reference to the Strategy Value on the relevant Coupon Determination Date (as applicable).

The Units will pay out any positive performance annually. The Performance Coupons are determined by calculating the gross performance since the Commencement Date (determined by the Strategy Value) and subtracting any previous Performance Coupons paid.

The following examples show how the net value of the first Performance Coupon, second Performance Coupon and Third Performance Coupon would be calculated, based on the assumed Strategy Values set out for Scenario 1 in the table below for a hypothetical investment in Series 28A of 100,000 Units at an Issue Price of \$1.00 per Unit.

| Date | Strategy Value | | |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| | Scenario 1 Positive Performance | Scenario 2 Moderate Performance | Scenario 3 Negative Performance |
| Initial Strategy Value | 99.8 | 99.8 | 99.8 |
| Strategy Value Strike | 100 | 100 | 98 |
| Strategy Value on First Coupon Determination Date | 105 | 103 | 97 |
| Strategy Value on Second Coupon Determination Date | 111 | 107 | 96 |
| Strategy Value on Third Coupon Determination Date | 117 | 110.5 | 95 |



Calculate the value of the First Coupon

For Scenario 1, the First Coupon per Unit would be calculated as follows at the relevant Coupon Determination Date:

$$\begin{aligned} \text{First Coupon (AUD)} &= \text{Max} (0, (\text{Strategy Value}_{y_1} / \text{Strategy Value Strike} - 1)) \\ &= \text{Max} (0, (105/100 - 1)) \\ &= \text{Max} (0, 5\%) \\ &= 5\% \end{aligned}$$

Strategy Value_{y₁} = Strategy Value on the First Coupon Determination Date.

Based on a holding of 100,000 Units, the First Coupon paid would be 5%. The First Coupon payable to an Investor in cash would be \$5,000 AUD.

Calculate the value of the Second Coupon

For Scenario 1, the Second Coupon per Unit would be calculated as follows at the relevant Coupon Determination Date:

$$\begin{aligned} \text{Second Coupon (AUD)} &= \text{Max} (0, (\text{Strategy Value}_{y_2} / \text{Strategy Value Strike} - 1) - \text{First Coupon}) \\ &= \text{Max} (0, (111/100 - 1) - 5\%) \\ &= \text{Max} (0, 11\% - 5\%) \\ &= 6\% \end{aligned}$$

Strategy Value_{y₂} = Strategy Value on the Second Coupon Determination date.

Based on a holding of 100,000 Units, the Second Coupon paid would be 6%. The Second Coupon payable to an Investor in cash would be \$6,000 AUD.

Calculate the value of the Third Coupon

For Scenario 1, the Third Coupon per Unit would be calculated as follows at the relevant Coupon Determination Date:

$$\begin{aligned} \text{Third Coupon (AUD)} &= \text{Max} (0, (\text{Strategy Value}_{y_3} / \text{Strategy Value Strike} - 1) - \text{First Coupon} - \text{Second Coupon}) \\ &= \text{Max} (0, (117.5/100 - 1) - 5\% - 6\%) \\ &= \text{Max} (0, 17.5\% - 5\% - 6\%) \\ &= 6.5\% \end{aligned}$$

Strategy Value_{y₃} = Strategy Value on the Third Coupon Determination date.

Based on a holding of 100,000 Units, the Third Coupon paid would be 6.5%. The Third Coupon payable to an Investor in cash would be \$6,500 AUD.

Overview of Scenarios 1, 2 and 3

The table below sets out the Coupons per Unit which would apply to Scenario 1, 2 and 3. Each of the values listed below for Scenario 2 & 3 were calculated in the same way as set out in the examples above for Scenario 1.

| | Scenario 1 | Scenario 2 | Scenario 3 |
|---------------------------------------|-----------------|-----------------|---------------|
| First Coupon per Unit | \$0.05 | \$0.03 | \$0.00 |
| Coupon on 100,000 Units | \$5,000 | \$3,000 | |
| Second Coupon per Unit | \$0.06 | \$0.04 | \$0.00 |
| Coupon on 100,000 Units | \$6,000 | \$4,000 | |
| Third Coupon per Unit | \$0.065 | \$0.035 | \$0.00 |
| Coupon on 100,000 Units | \$6,500 | \$3,500 | |
| Total Gross Coupons per Unit | \$0.175 | \$0.105 | \$0.00 |
| Total Coupons on 100,000 Units | \$17,500 | \$10,500 | \$0.00 |

4. Historical Performance of Underlying Funds and Index comprising the Reference Basket



Historical information for each of the Underlying's comprising the Reference Basket have been provided by the Issuer to potential investors for educational purposes only and is not indicative of the future performance of the Units. It is important to note that the returns on the Units are based not only on the return of each Underlying but also on the volatility of each Underlying, as well as the 3-Month EURIBOR rate. The data represents either the previous 5 year's performance data or, where this is not possible due to an Underlying existing for less than 5 years, all published performance data.

Investors should note that past performance is not a reliable indicator of future performance. Future volatility and returns may vary.

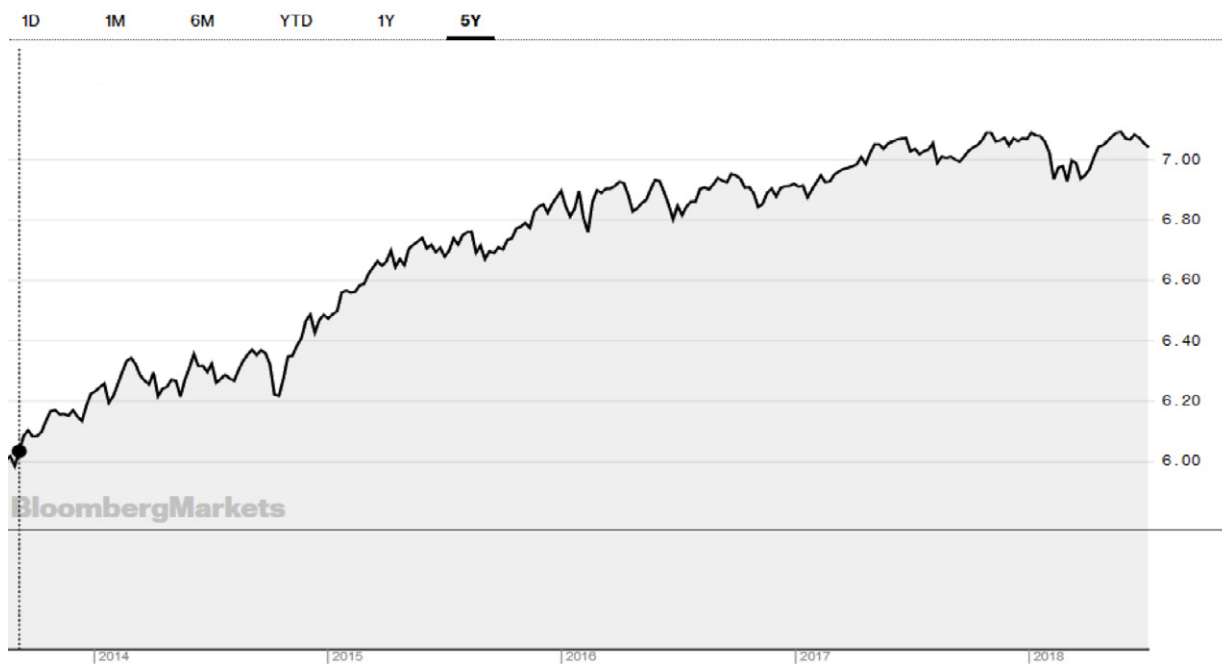
Old Mutual Global Equity Absolute Return Fund – 20% Weight

Bloomberg: OMEAEHA:ID



Janus Henderson – United Kingdom Absolute Return – 20% Weight

Bloomberg: GAUKAA1:LX





H2O Adagio – 40% Weight

Bloomberg: NH2ADIC FP:



BNP Paribas Multi-Asset Diversified vol 4 EUR Future Index – 20% Weight

Bloomberg: BNPIMD4F:IND



Investors should note that past performance is not a reliable indicator of future performance. Future returns may vary.

5. Formulae and Calculations



Initial Strategy Value

The Initial Strategy Value will be determined by the Issuer on the Commencement Date and will equate to the reported Strategy Value of Sequoia Launch Series 28 on 27 July 2018 or alternatively a Commencement Date under this PDS shall this be a date different to 27 July 2018.

Strategy Value

The Strategy Value is calculated on each Basket Business Day using the Strategy Value from the previous Basket Business Day, the weighted performance of the 4 Underlyings comprising the Reference Basket, the Volatility of the Reference Basket over the previous 10 and 50 Basket Business Days, and the 3-Month EURIBOR rate. The formula for calculating the Strategy Value in the currency of the Reference Basket (i.e. AUD) on Basket Business Day t is as follows:

$$\text{Strategy Value}_t = \text{Strategy Value}_{t-1} \times \left(\frac{\text{Basket}_t}{\text{Basket}_{t-1}} \right) \times (1 - \text{AF}) \times \frac{\text{Act}_{t-1,t}}{360}$$

$$\text{Basket}_t = \text{Basket}_{t-1} \times$$

$$\left[1 + \text{PR}_{t-1} \times \left(\frac{\text{Basket}_t}{\text{Basket}_{t-1}} - 1 \right) + (1 - \text{PR}_{t-1}) \times \text{rate}_{t-1} \times \frac{\text{Act}_{t-1,t}}{360} \right]$$

$$\text{Basket}_t = \text{Basket}_{t-1} \times \left(\sum_{i=1}^{i=4} \text{Weight } i \times \frac{\text{NAV}_{i,t} + \text{Div}_{i,t}}{\text{Nav}_{i,t-1}} \right)$$

$$\text{Basket}_0 = \text{Basket}_0 = 100\%$$

$$\text{Strategy}_0 = \text{Initial Strategy Value}$$

Where:

Strategy Value_t

means the Strategy Value on Basket Business Day t

Strategy Value_{t-1}

means the Strategy Value the Basket Business Day before t

Strategy Value₀

means the Initial Strategy Value on the Commencement Date.

Initial Strategy Value

means the Strategy Value of Sequoia Launch Series 28 Units on the Commencement Date of this PDS, as published by the Issuer at their website <https://www.sequoiasi.com.au/investor-centre/launch-series/sequoia-launch-series-28/>

Underlying_i

A total of 4 Underlyings (each an “**Underlying_i**”, together “**Underlyings**”; in respect of Underlying i (where $i=1$ to 3), each a “**Fund**”, together “**Funds**”; in respect of Underlying i (where $i=4$), an “**Index**”). Refer Reference Basket definition on page 6 for further details

PR_{t-1}

means the Participation Rate on the Basket Business Day before t

Basket_t

means the value of the Reference Basket on Basket Business Day t

Basket_{t-1}

means the value of the Reference Basket on the Basket Business Day before t

Basket₀

means the value of the Reference Basket on the Commencement Date, being 100

Basket Business Day

means a day that is a Valid Fixing Business Day, in respect of all Basket Business Days, provided that if such Valid Fixing Business Day is disrupted with respect to one of the Underlyings as a result of an Extraordinary Fund Event, Index Adjustment Event or Additional Disruption Events as applicable, the immediately following Valid Fixing Business Day which is not a disrupted day with respect to all the Underlyings.

Valid Fixing Business Day Means a day that is a Fixing Business Day in respect of all Underlyings in the Basket.

Fixing Business Day

Means for the Funds, Fund Business Day (All Fund Shares Basis); Means for the Index, a Scheduled Index Business Day.

Rate_t

is the 3-Month EURIBOR rate, published as of 11:00 am Brussels time on Reuters Page “EURIBOR3M=”, and that has been fixed two (2) Settlement Days prior to the Basket Business Day t as determined by the Issuer (or if such rate is not published, such other rate as the Issuer may determine from such other source(s) as it may deem appropriate in its absolute discretion).

Adjustment Factor (“AF”) 0.15%



Act_{t-1,t}

is the number of calendar days since the Strategy Value was last calculated which ensures that calculations are on a daily accruals basis.

NAV_{i,t}

means, for i=1-4, the Net Asset Value per Fund Share of Fund i on Basket Business Day t; and for i=5, the level of the Index on the Basket Business Day t.

NAV_{i,t-1}

means, for i=1-4, the Net Asset Value per Fund Share of Fund i on the Basket Business Day before t; and for i=5, the level of the Index on the Basket Business Day before t.

Weight_i

equals 20% where i=1, 2 and 4 and 40% for where i=3

| i | Underlying i | Weight i | Bloomberg | ISIN | Currency |
|---|--|----------|---------------------|--------------|----------|
| 1 | Old Mutual Global Equity Absolute Return Fund | 20% | OMEAEHA ID <Equity> | IE00BLP5S460 | EUR |
| 2 | Janus Henderson – United Kingdom Absolute Return | 20% | GAUKAA1 LX <Equity> | LU0490786174 | EUR |
| 3 | H2O Adagio (Global Currencies and Bonds) | 40% | NH2ADRC FP <Equity> | FR0010923359 | EUR |
| 4 | BNP Paribas Multi-Asset Diversified vol 4 EUR Future Index | 20% | BNPIMD4F <Index> | N/A | EUR |

Div_{i,t}

means any cash dividends received by the Hedge Provider on Basket Business Day t in respect of the hedge position held for Fund i under this Transaction, net of any relevant local tax withholding, applicable charges, taxes, costs and expenses.

Participation Rate

The Participation Rate (PR) is calculated as:

$$\text{Participation Rate} = \min \left(100\%, \frac{\text{Target Volatility}}{\text{Realised Volatility}} \right)$$

The PR is subject to a 10% Threshold. See further explanation below.

Where:

Target Volatility is 2%

Realised Volatility = max (vol_{10,t}; vol_{50,t})

$$\text{Vol}_{n,t} = \sqrt{\frac{252}{n} \times \sum_{k=t-n+1}^{k=t} R_k^2}$$

$R_k = \ln \left(\frac{\text{Basket}_k}{\text{Basket}_{k-1}} \right)$, extrapolated when needed for 50 Basket Business Days prior to the Commencement Date, as determined by the Issuer in its sole discretion.

n is the number of previous Basket Business Days over which the Realised Volatility is to be calculated, being 10 and 50

t is the Basket Business Day on which the Realised Volatility is being calculated

Basket_k is the value of the Reference Basket on Basket Business Day k

Basket_{k-1} is the value of the Reference Basket on the Basket Business Day before k

10% Threshold – To avoid frequent rebalancing of the PR level over time, the PR will only adjust if the percentage change in its level between two relevant Basket Business Days is 10% or more. For example, if the PR on a relevant Basket Business Day is 100% and remains anywhere between 100% and 90% during a subsequent period, then the PR will remain unadjusted. It is only once the PR falls below 90% in this example, representing a percentage change of more than 10%, that the PR will adjust. This is because the percentage move is greater than 10% in this case.



Coupons

First Coupon (AUD)
$$= \text{Max} (0, (\text{Strategy Value}_{y_1} / \text{Strategy Value Strike} - 1))$$
Second Coupon (AUD)
$$= \text{Max} (0, (\text{Strategy Value}_{y_2} / \text{Strategy Value Strike} - 1) - \text{First Coupon})$$
Third Coupon (AUD)
$$= \text{Max} (0, (\text{Strategy Value}_{y_3} / \text{Strategy Value Strike} - 1) - \text{First Coupon} - \text{Second Coupon})$$

Where:

Strategy Value_{y₁}

means the Strategy Value on the First Coupon Determination Date.

Strategy Value_{y₂}

means the Strategy Value on the Second Coupon Determination Date.

Strategy Value_{y₃}

means the Strategy Value on the Third Coupon Determination Date.

Strategy Value Strike

100

6. Master PDS



This Term Sheet PDS must be read in conjunction with the Master PDS dated 14 August 2017.

Please download the Master PDS at www.sequoiasi.com.au/masterpdswithloanPDS14August2017 or





This Election Form constitutes both an Application Form for Sequoia Launch Units – Series 28A (“Series 28A Units”), and an Issuer Buy-Back Form for Sequoia Launch Units – Series 28 (issued under a Term Sheet PDS dated 1 May 2017 and Master PDS dated 15 June 2015) (“Series 328 Units”), both issued by Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) and arranged by Sequoia Asset Management Pty Ltd (ACN 135 907 550, AFSL 341506). This Election Form accompanies the Term Sheet PDS for the Series 28A Units dated 11 July 2018, Master PDS dated 14 August 2017 and any supplementary PDS issued for the Units (“PDS”). It is important that you read the Term Sheet PDS and PDS in full and the acknowledgements contained in this Election Form before applying for the Issuer Buy-Back of the Series 28 Units and an investment in the Series 28A Units.

A person who gives another person access to this Election Form must at the same time and by the same means give the other person access to the PDS including any supplemental PDS. The Issuer will provide you with a paper copy of the PDS including the Master PDS, any supplemental PDS and this Election Form, on request without charge.

This form is to be used if you are an investor in the Series 28 Units and wish to request an Issuer Buy-Back of your Series 28 Units and to use the proceeds of the Issuer Buy-Back to acquire Series 28A Units. Please see the instructions on how to complete this Form in the PDS. This Election Form must be received by the Registrar by 5:00 pm on 31 May 2018 in order to be accepted by the Issuer. Election Forms received after this time will not be accepted by the Issuer. Election Forms received by persons who are not a registered holder of Series 28 Units will also not be accepted by the Issuer.

Series 28A Units are only issued on receipt of:

- (a) an executed copy of this Election Form,
- (b) approval of the Application by the Issuer and Lender, and
- (c) verification of the applicant’s identity (verification of the applicant’s identity will be performed on the basis of past information provided by the applicant to the Issuer).

Terms of the Issuer Buy-Back

- (a) Buy-Back Price of \$1 per Series 28 Unit;
- (b) Investor must elect for the Issuer to Buy-Back all of the Series 28 Units registered in the name of the Investor and make an investment application for the same number of Series 28A Units in the name of the Investor;
- (c) Issuer will apply the total amount of the Buy-Back Price in full satisfaction of the Investor’s Series 28 Units Loan;
- (d) Issuer will refund to the Investor in full all non-amortised Prepaid Interest in respect of the Investor’s Series 28 Units Loan if the Investor elects to take part in the Issuer Buy-Back;
- (e) Investor must direct the Issuer to apply 100% of the Prepaid Interest refund to an investment in Series 28A Units in the name of the Investor.

Potential investors should obtain independent financial and taxation advice as to the suitability of this investment to them having regard to their investment objectives, financial situation and particular needs. Nothing in this PDS is a recommendation by the Issuer, the Security Trustee, the Custodian or their related bodies corporate concerning investment in the Units or any specific taxation consequences arising from an investment in the Units.

SECTION A – INVESTOR DETAILS

By submitting this Election Form I/We hereby declare that I/we wish to participate in the Issuer Buy-Back described by this Election Form and I/we irrevocably direct the Issuer to do the following:

- (a) buy back all of my/our Series 28 Units on the terms of the Issuer Buy-Back described above;
- (b) apply 100% of the proceeds from the Issuer Buy-Back and Prepaid Interest refund of my/our Series 28 Units to an investment in the Series 28A Units; and
- (c) do all things necessary to effect (a) and (b) above.

Series 28 Units issued by Sequoia Specialist Investments Pty Ltd pursuant to the Term Sheet PDS dated 1 May 2017 and Master PDS dated 15 June 2015 to be transferred from me/us to the Issuer.

Name of Seller/Applicant (if a company, please provide full name and ABN/ACN/ARBN):

Address

City/Suburb/Town

State

Postcode

Country

Telephone



SECTION B – DETAILS OF THE SERIES 28 UNITS TO BE SOLD

Investment:

Sequoia Launch Units – Series 28

Total Number of Units to be Sold
(this must be equal to your total holdings of Series 28 Units)*

SECTION C – DETAILS OF THE UNITS TO BE PURCHASED

| | Series 28A Diversified Basket of Global Investment Funds and Multi-Asset Index |
|---|---|
| Number of Units (this is equal to the number of Series 28 Units currently held by you) | \$ _____ Total Number of Units allocated to you in Sequoia Launch Series 28 |
| Issue Price | \$1.00 per Unit |
| Investment Amount (\$) | \$ _____ Investment Amount for your investment in Sequoia Launch Series 28 |
| Prepaid Interest (A) (1.99% p.a x 2 years and 338 days) | \$ _____ (Investment Amount x 5.823%) |
| Total Amount Payable* *This amount is funded by the Loan for the Series 28A Units and the Prepaid Interest Refund of your Series 28 Units. Investors are not required to make any payment in respect of their investment in Series 28A Units. | Prepaid Interest = \$ _____ (Investment Amount x 5.823%) |

SECTION D – DECLARATIONS

By submitting this Election Form I/We the registered Series 28 Unitholder(s) request the Issuer Buy-Back the Series 28 Units specified above, subject to the conditions contained in the Series 28 Units Term Sheet PDS and Master PDS on which I/we held those Units at the time of submitting this form.

- I/We the registered Unitholder(s) request the Issuer Buy-Back the Units specified above, subject to the conditions contained in the Term Sheet PDS and Master PDS on which I/we held those Units at the time of signing of this form.
- I/We have full legal power to request this Issuer Buy-Back and do so free of any encumbrance or security (whether registered or not)
- I/We understand I/We will have no further exposure to the Reference Basket after the Units are bought back
- I/We understand that the Buy-Back Price will be applied in full against my outstanding Series 28 Units Loan Amount.
- I/We understand that the tax outcome may differ from the Term Sheet PDS and Master PDS by participating in an Issuer Buy-Back.
- The Issuer strongly recommends you seek independent expert tax advice before submitting this request.
- I/We understand by submitting the Issuer Buy-Back request, that it is irrevocable.
- I/We make the declarations and directions set out in Section A of this Election Form.

By completing and submitting this Election Form you:

- declare that you have read and understood this Term Sheet PDS and the Master PDS.
- declare that you have read and understood Section 6 "Terms of the Deferred Purchase Agreement" of the Master PDS.
- declare that you have read and agree to the terms of Section 8 "Loan Agreement" of the Master PDS.

- agree to the collection, use and disclosure of your personal information provided in this Application Form.
- declare that any declarations made under my application for Series 28 Units remain unchanged, including in respect of any Trustee declarations.
- declare that you have received this Term Sheet PDS and the Master PDS personally, electronically or a print-out of it, accompanied by or attached to this Application Form before signing the form.
- declare that all information provided in the Application Form or any other information provided in support of the Application is true and correct.
- acknowledge that none of Issuer, Custodian or any member of their respective groups or any of their directors or associates or any other entity guarantees the performance of or the repayment of capital invested in, or income from the Units.
- declare that if the Execution Page of this Application Form is signed under power of attorney, you have no knowledge of the revocation of that power of attorney.
- declare that you have the power to make an investment in accordance with this application, including the Application for the Loan in accordance with the Loan Agreement and the Units in accordance with the terms of this PDS.
- declare that you have read and understood the Direct Debit Request Service Agreement.
- confirm and make the declarations set out in the Direct Debit Authority.
- declare that sole signatories signing on behalf of a company are signing as sole director or as a sole director/secretary of the company.
- acknowledge that an investment in the Units is subject to risks including possible delays in repayment and possible loss of capital invested.



15. agree to be bound by the provisions of the terms and conditions of the Units set out in the PDS, specifically those contained in Section 6 “Terms of the Deferred Purchase Agreement” and Section 8 “Loan Agreement” of the Master PDS, and as amended from time to time.
16. acknowledge that the terms and conditions of the Units are an agreement between the Issuer, the Custodian and the Investor arising on the terms and conditions set out in Section 6 “Terms of the Deferred Purchase Agreement” of the Master PDS.
17. acknowledge that you give the indemnities in clause 12 of Section 6 “Terms of the Deferred Purchase Agreement” and clause of Section 8 “Loan Agreement” of the Master PDS for the benefit of the Issuer and the Custodian.
18. acknowledge that this PDS does not constitute an offer in any jurisdiction in which, or to any person of whom, it would be unlawful to make the offer.
19. declare that if investing as a trustee of a trust (“Trust”) (including acting as trustee for a superannuation fund) you are acting in accordance with your designated powers and authority under the Trust Deed. In the case of Superannuation Funds, you also confirm that the funds are complying funds under the Superannuation Industry (Supervision) Act.
20. declare that if investing as a trustee of a trust (Trust) (including acting as trustee for a superannuation fund), you are familiar with the documents constituting the trust (the Trust Documents) (and as amended, if applicable) purporting to establish, and relating to, the Trust and hereby declare and confirm that:
 - (a) the Trust and the Trust Documents have been validly constituted and is subsisting at the date of this declaration;
 - (b) you will be and are empowered and authorised by the terms of the Trust Documents examined by you to enter into and bind the Trust to the transactions completed by the Terms and this Term Sheet PDS and the Master PDS;
 - (c) the transactions completed by the Terms and this Term Sheet PDS and Master PDS do or will benefit the beneficiaries of the Trust; and
 - (d) you have all the power, authority and discretion vested as trustee to apply for and hold the Units.
21. acknowledge that there is a Security Interest over the Hedge, known as the Hedge Security Deed (described in Section 3 “Security Arrangements” of the Master PDS) and you are entitled to the benefit of the Hedge Security Deed, bound by the terms of the Hedge Security Deed and must perform all of the obligations and comply with all restrictions and limitations applicable to you under the Hedge Security Deed. You also acknowledge that the benefit of the Hedge Security Deed is held by the Security Trustee on trust for you in accordance with the Security Trust Deed (described in Section 3 “Security Arrangements” of the Master PDS).
22. acknowledge that all information relating to this Application Form for investment or any subsequent information relating to this investment may be disclosed to any service provider and to your adviser. This authority will continue unless revoked in writing by you.
23. If you use the facsimile or email facility you:
 - (a) release, discharge and agree to indemnify the Issuer and their agents, including the registrar and their respective officers from and against all losses, liabilities, actions, proceedings, accounts, claims and demand arising from instructions received under the facility;
 - (b) agree that a payment made in accordance with the conditions of the facility shall be in complete satisfaction of all obligations to you for a payment, notwithstanding it was requested, made or received without your knowledge or authority.
24. acknowledge the Issuer has entered into custodial arrangements with Sequoia Nominees No. 1 Pty Ltd (“Custodian”).
25. acknowledge that your Units will be issued to the Custodian on your behalf and the Custodian will hold your Units subject to the Investor Security Deed in accordance with the terms of the Loan Agreement and the Custody Deed.
26. irrevocably direct and authorise the Lender to draw down the Loan Amount and pay the amount directly to the Issuer in satisfaction of your obligation to pay your Investment Amount.
27. acknowledge that if the Units are subject to Early Maturity for any reason, you will not be entitled to any Final Coupon payable or the Delivery Parcel on or after the occurrence of the relevant Early Maturity Event.
28. irrevocably direct and authorise the payment of the Final Coupon, Buy-Back Price, Termination Payment, Early Maturity Value and Sale Monies to be paid firstly to the Lender in repayment of the Loan Amount. However the Lender does not intend to apply the Final Coupon (if any) to the Loan Amount during the Investment Term unless there is an Event of Default under the Investor Security Deed.
29. if you fail to pay the Loan Amount, you assign all of your rights under the Loan Agreement to the Acceptor and the Acceptor will assume all of your obligations under the Loan Agreement on your behalf. You will be deemed to direct the Custodian to hold the Delivery Parcel on your behalf, and to authorise and direct the Issuer (or its nominees) to sell or procure the sale of the Delivery Parcel and to apply the resulting Sale Monies (which includes a deduction for Delivery Costs) to pay the Lender an amount equal to the Loan Amount when the Acceptor assumed your obligations under the Loan.
30. agree and acknowledge that their recourse against the Issuer is limited to the Secured Property only and otherwise they can take no action against the Issuer.
31. irrevocably appoint for valuable consideration the Issuer, its related bodies corporate and each of their respective employees whose title includes the word “director” jointly, and each of them severally as my/our true and lawful agent to do all acts and things:
 - (a) necessary to bind you to the Terms, give effect to the Terms, including without limitation, completing or amending any Application Forms (if the Issuer, in its absolute discretion, has accepted the Application Form);
 - (b) necessary to give effect to, amend, execute, register or enforce the Custody Deed or Investor Security Deed and bind you to the terms of the Custody Deed;
 - (c) that the Investor is obliged to do under the Terms;
 - (d) which, in the opinion of the Issuer are necessary in connection with:
 - i. payment of any moneys to the Investor;
 - ii. the Maturity process, including without limitation, if an Early Maturity Event occurs;
 - iii. any Issuer Buy-Back;
 - iv. the Delivery Assets, including without limitation the delivery or sale of the Delivery Assets;
 - v. the repayment of the Loan Amount;
 - vi. the Investor Security Deed, including without limitation the perfection and enforcement of the Investor Security Deed.
32. indemnify the agent against all claims, losses, damages and expenses suffered or incurred as a result of anything done in accordance with the above agency appointment.
33. agree to give further information or personal details to the issuer if it reasonably believes that it is required to meet its obligations under anti-money laundering counterterrorism or taxation legislation. By making this application, you represent and covenant that the funds you are investing are not the proceeds of crime or money laundering, nor connected with the financing of terrorism. You agree that the Issuer may in its absolute discretion determine not to issue units to you, may cancel any units that have been issued to you or may redeem any units issued to you if the Issuer believes that such action is necessary or desirable in light of its obligations under the Commonwealth Anti-Money Laundering and Counter-Terrorism Financing Act 2006 or any related legislation.
34. Have read and understand the Privacy Policy for the Issuer and the Security Trustee as described in detail in Section 5 “Additional Information” of the Master PDS.

Sequoia Launch Units – Series 28A



ISSUER BUY-BACK FORM

This is an Issuer Buy-Back Form for Units in the Sequoia Launch Units – Series 28A issued by Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) and arranged by Sequoia Asset Management Pty Ltd (ACN 135 907 550, AFSL 341506). This Issuer Buy-Back Form accompanies the Term Sheet PDS dated 11 July 2018, Master PDS dated 14 August 2017 and any supplementary PDS issued for the Units (PDS). This form is to be used if you are an investor in the Units and wish to request an Issuer Buy-Back prior to Maturity. Please see the instructions on how to complete this Form in the PDS. This Buy-Back Request Form must be received by the Registrar by 2:00 pm in order to be processed that day.

SECTION A – INVESTOR DETAILS

I/We hereby apply for the following Units issued by Sequoia Specialist Investments Pty Ltd pursuant to the Term Sheet PDS dated 11 July 2018 and Master PDS dated 14 August 2017 to be transferred from me/us to the Issuer.

Name of Seller (if a company, please provide full name and ABN/ACN/ARBN):

Address

City/Suburb/Town

State

Postcode

Country

Telephone

Area code

Number

SECTION B – DETAILS OF THE UNITS TO BE SOLD

Investment:

Sequoia Launch Units – Series 28A

Total Number of Units to be Sold (this must be greater than or equal to the Minimum Buy-Back Amount)*

*The Minimum Buy-Back Amount is 10,000 Units in a particular Series, provided Investors continue to hold at least 10,000 Units in that Series.

SECTION C – DECLARATIONS & SIGNATURES

I/We the registered Unitholder(s) request the Issuer Buy-Back the Units specified above, subject to the conditions contained in the Term Sheet PDS and Master PDS on which I/we held those Units at the time of signing of this form.

- I/We the registered Unitholder(s) request the Issuer Buy-Back the Units specified above, subject to the conditions contained in the Term Sheet PDS and Master PDS on which I/we held those Units at the time of signing of this form.
- I/We have full legal power to request this Issuer Buy-Back and do so free of any encumbrance or security (whether registered or not)
- I/We understand I/We will have no further exposure to the Reference Basket after the Units are bought back
- I/We understand that there may be significant Break Costs (including Loan Break Costs) for the Issuer Buy-Back.
- I/We understand that the Buy-Back Price (if any) may differ significantly from the quoted value provided by Sequoia Specialist Investments and/or the Hedge Provider.
- I/We understand that the Buy-Back Price will first be applied against my outstanding Loan Amount and only the surplus (if any) will be paid to me/us.
- I/We understand that the tax outcome may differ from the Term Sheet PDS and Master PDS by participating in an Issuer Buy-Back.
- The Issuer strongly recommends you seek independent expert tax advice before submitting this request.
- I/We understand by submitting the Issuer Buy-Back request, that it is irrevocable.

Signature of Individual/Director 1

Name of Individual/Director 1

Date

Tick capacity – mandatory for companies

Sole Director

Director

Secretary

Tick capacity (if applicable)

Individual Trustee

Corporate Trustee

Partner in Partnership

Signature of Individual/Director 2

Name of Individual/Director 2

Date

Tick capacity – mandatory for companies

Sole Director

Director

Secretary



**Lead Distributor**

Sequoia Asset Management
Level 7, 7 Macquarie Place
Sydney NSW 2000
PO Box R1837
Royal Exchange NSW 1225
P: 1300 522 644

Issuer:

Sequoia Specialist Investments
Level 7, 7 Macquarie Place
Sydney NSW 2000
PO Box R1837
Royal Exchange NSW 1225
P: 02 8114 2222

Registrar:

Registry Direct Pty Ltd
Level 6, 2 Russel Street
Melbourne, VIC, 3000
P: 1300 55 66 35

Issuer's Solicitors:

Baker & McKenzie
Tower One – International Towers Sydney
Level 46
100 Barangaroo Avenue
Sydney NSW 2000

Custodian & Security Trustee:

Sequoia Nominees No. 1 Pty Ltd
Level 7, 7 Macquarie Place
Sydney NSW 2000

All Application Forms and Correspondence to:

Sequoia Asset Management
PO Box R1837
Royal Exchange
NSW 1225